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DIRECTORATE OF
INTELLIGENCE

Central Intelligence Bulletin

Secret

State Department review completed

No 42

26 August 1971

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Approved For Release 2004/04/19 : CIA-RDP79T00975A019800110001-0

Approved For Release 2004/04/19 : CIA-RDP79T00975A019800110001-0

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No. 0204/71
26 August 1971

Central Intelligence Bulletin

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BOLIVIA: President Banzer is turning his attention to formulating national policies, although pockets of resistance to his government remain. In addition, differences among his backers are beginning to appear.

In a press conference Tuesday, Banzer stressed his desire to de-emphasize national differences and work for national unity. He set no date for elections, nor did he indicate whether he would call for a new constitution.

Argentina, [redacted]

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[redacted] and Uruguay already have recognized the Banzer government, and Brazil intends to follow suit shortly. [redacted]

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[redacted] Some Latin American countries have indicated that they do not believe the question of recognition arises and consider their relations with the new government a continuation of previous ones.

The two political parties that support President Banzer are traditional rivals, and some strain is beginning to show. One faction of the Nationalist Revolutionary Movement (MNR) has called on the party to leave the coalition in protest over government action against leftist students resisting in the university. MNR members in the government probably will be reluctant to withdraw after so many years out of power. This type of bickering, however, could command a lot of Banzer's attention.

Rivalries and jealousies within the armed forces could also cause him problems. [redacted]

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CHINA-JAPAN: Japanese attention to the China issue will be increased this week with the visit to Tokyo of Peking official Wang Kuo-ch'uan. A long-time specialist on Japan, Wang will attend funeral services today for Kenzo Matsumura, a persistent advocate of closer Sino-Japanese relations.

Wang reportedly will remain in Japan for about a week after the ceremonies and has been besieged with requests for meetings from opposition politicians in Japan. Prime Minister Sato, the major Liberal Democratic Party (LDP) contenders for the prime ministership, and other top government officials have also expressed a desire to meet with Wang. Several meetings reportedly took place last spring between influential Japanese and the Chinese officials who accompanied Peking's table tennis team during its tour of Japan.

Peking's decision to send an official of Wang's stature to Tokyo suggests that the Chinese hope to capitalize on the prevailingly favorable "China mood" in Japan and possibly strengthen it. Wang almost certainly is prepared to meet with important Japanese officials, possibly including members of Sato's cabinet, but it is not clear how he will handle the request for discussions with Sato himself. The visit will increase pressure on the Sato government from elements in the LDP, opposition parties, and the media to take new initiatives toward improving Tokyo's relations with Peking. It also could affect current discussions in Japan on approaching the question of Chinese representation in the UN. [redacted]

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EAST PAKISTAN: The government is still fighting an uphill battle distributing foodgrains.

The food plan for August-December providing for the distribution of one million tons falls short of the estimated 1.4 million tons of imported foodgrains required to feed the population adequately. Moreover, the August target for shipments of 200,000 tons to the interior is not likely to be reached. By mid-August only 43,000 tons had cleared the ports because of internal transport disruptions. Continuing sabotage of rail and road bridges places an extraordinary burden on water transport, which is now handling about twice its normal volume. Moreover, sabotage operations to be carried out by guerrillas at the ports may further curtail foodgrain shipments.

Although food shortages are evident, there have been no reports of starvation. AID officials who visited the coastal area devastated by last November's cyclone report that increasing food relief shipments are permitting stocks to be built up. Food rations distributed under relief auspices, which practically ceased in May, are now up to about half of requirements established by relief authorities.

Harvest of the fall rice crop has begun, which will help alleviate food shortages at least until November. The Food Department estimates less than 100,000 tons of rice have been lost in monsoon flooding compared with at least a half million tons last year. [redacted]

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TURKEY: The way has been cleared for substantial changes in the 1961 constitution.

Thirty-four of the 154 articles are to be amended, and ten new temporary articles will be added in a major effort to strengthen the executive branch and to clear the way for land reform. The changes are also designed to restrict activities aimed at undermining the government and to establish the legitimacy of the military intervention last March. In a surprising show of cooperation, all the principal political parties are sponsoring the omnibus bill, which reportedly has been signed by two thirds of the members of parliament.

Although early passage is thus assured, the bill must still go through the prescribed process of parliamentary review, which requires the approval of both houses and takes a minimum of four weeks. Some partisan dissent emerged during the consideration of the proposed amendments, but Prime Minister Erim is generally accorded high marks for accomplishing the difficult task of promoting interparty cooperation. Awareness of the considerable military interest in the proposed amendments also probably encouraged the disparate politicians to be more cooperative than usual.

The pending changes represent a marked departure from the philosophy of the framers of the 1961 constitution, who were primarily intent on protecting the citizen from the potential abuse of executive authority. [redacted]

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AFGHANISTAN: Kabul's request for emergency relief aid to ease difficulties stemming from prolonged drought has met with mixed results.

The government's appeal for animal fodder, the most immediate need, has been largely unfulfilled because of lack of surplus supplies in nearby countries and high transportation costs. Afghanistan needs at least 650,000 tons. Existing fodder supplies reportedly are sufficient only until the beginning of autumn, and efforts to export sheep, the only real alternative, have met with little success. Only Iran has committed funds for the purchase of Afghan sheep while the Soviets have indicated they may purchase one million of the country's 22 million sheep.

On the other hand, the response for emergency food supplies has been rapid and pledges for half the foodgrain requirements already have been received. In addition to 100,000 tons of US PL-480 wheat, the Soviets are sending 25,000 tons, and lesser amounts have been promised by Communist China and Canada.

Afghan proposals for a debt moratorium are receiving sympathetic consideration. The World Bank reportedly will act favorably on an informal request that it chair a meeting of creditors next month. Debt renegotiations with the USSR reportedly are at an advanced stage and at least a partial moratorium may be announced at the end of the King's visit to Moscow in September.

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SOUTH KOREA: President Pak has dismissed three top military officials in the wake of the government's embarrassment over the mishandling of a mutiny by special forces trainees on 23 August. He has replaced the defense minister, air force chief of staff, and the head of the Counterespionage Command in an effort to blunt criticism that handling of the incident revealed significant military shortcomings. The mutineers, who were originally mistaken for North Korean infiltrators, were able to fight their way from a remote training site near Inchon to the outskirts of the capital. Although the opposition political party, attempting to get maximum mileage from the incident, has called for the resignation of the entire cabinet, additional top-level changes are unlikely.

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PHILIPPINES: The government's restraint in rounding up suspects in the bombing of an opposition Liberal Party campaign rally has eased tensions somewhat in Manila. The approximately 40 individuals arrested have been promptly released following their investigation. President Marcos appears to be concentrating his energies on building a case of complicity in the bombing against Benigno Aquino, a Liberal senator who was not present at the rally and whom Marcos sees as a potentially serious political rival. Continued incidents of terrorism since the bombing, however, have prompted Marcos to reiterate his threat of martial law. The radical left, which would like to nudge Marcos into taking this unpopular step, is likely to do its part to contribute to disruptive action.

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INTERNATIONAL ECONOMIC DEVELOPMENTS: The chairman of the Group of Ten continues to urge that the Committee of Deputies meet to discuss currency revaluation prior to the Group's proposed meeting of finance ministers in London in mid-September. The aim of the London conference reportedly is to draft recommendations for changes in exchange rates for the annual meeting of the International Monetary Fund (IMF) in Washington later in the month. Reports of an IMF staff working paper on revaluation received a stormy reception in Europe. Suggested revaluations of 15 percent for the yen, 13 to 14 percent for the mark, and seven percent for the French franc and for the pound sterling were rejected by European officials as being excessively high. In related developments, the dollar continued to weaken slightly against most European currencies yesterday. The Japanese yen closed higher as commercial banks reversed themselves and purchased dollars to comply with the government requirement that they maintain certain dollar balances.

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CEYLON: Government fears of an increase of insurgent activity continue to build. An eight-hour night curfew has recently been imposed to cover four additional administrative districts; a five-hour nightly curfew is already in effect in the Western Province, which includes the capital city of Colombo. Although no official reason has been given for the new curfew regulations,

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[redacted] insurgent groups have stepped up their activities and have added kidnaping in order to obtain guns and money.

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[redacted] the Colombo rumor mill is going full force and complete government news censorship remains in effect.

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UGANDA-TANZANIA: Both countries have announced that their troops clashed in a border incident on 24 and 25 August, but the official accounts conflict, with each country accusing the other of touching off the fracas. Ugandan President Amin is also claiming Communist Chinese involvement with the Tanzanians, and reportedly displayed the body of a Communist Chinese military adviser whom he said had accompanied the Tanzanian troops. So far, however, the US Embassy in Kampala has been unable to confirm this report. Although the border incident was probably a chance encounter, it has brought the already poor relations between Uganda and Tanzania to a new low and increases the chance for further confrontations.

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EQUATORIAL GUINEA: The widespread arrests initiated suddenly last week by President Macias are continuing and the island capital of Fernando Po remains tense. The government is still refraining from publicizing the roundup or levying any accusations against those imprisoned. Circumstantial evidence suggests that Macias is reacting to plotting that has been going on for some time by tribal foes on Fernando Po. The Guinean ambassador to Cameroon,

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[redacted] was among those arrested last week; he reportedly has been killed. Macias is directing the crackdown from mainland Rio Muni, where his tribesmen predominate. [redacted]

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